

Fact File

Upturn Continues as U.S. Exports Score Another Gain

by Ernest Carter

Despite a year of mounting challenges, the upturn continued. U.S. agricultural exports emerged with another gain, rising \$2 billion or 4% to nearly \$53 billion in fiscal 2001.

This was the second annual increase following three progressively weaker years during which exports retreated to \$49 billion, down from a record-high \$60 billion in 1996. Trade forecasts suggest that 2002 will add a third year of growth to the current rebound.

U.S. agricultural exports first surged past \$50 billion in 1995, during a short-lived spike in prices and reduced competition in bulk commodity trade. Despite the weaker outlook for global economic growth since the mid-1990s, U.S. exports again topped \$50 billion in 2000 and 2001. Prior to 1995, exports had never been higher than \$44 billion.

Last year's performance was achieved with new records in exports to both of our NAFTA partners, along with strong sales to China, Indonesia and Russia. Exports of cattle hides and soybeans reached record

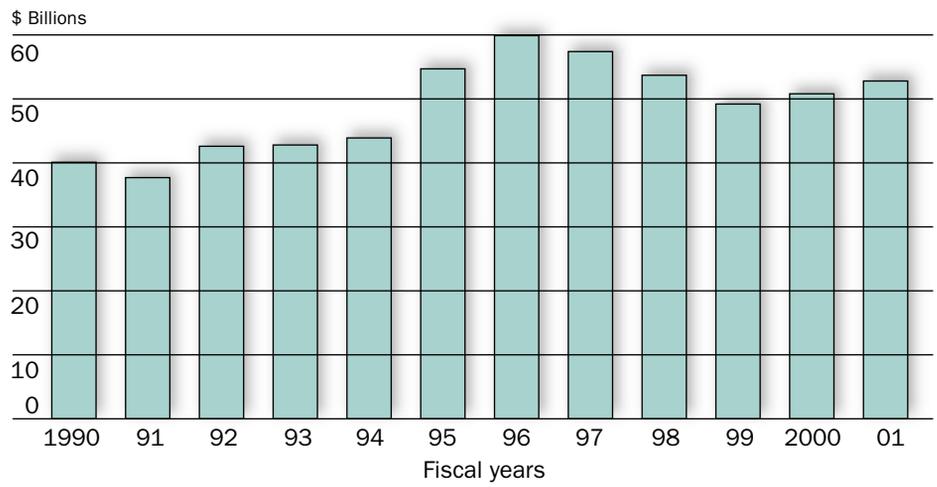
highs, as did the broad category of consumer foods. Trade gains were held in check by weak Japanese demand, a slowing world economy and the strength of the dollar.

In the forestry and fishery areas, fiscal 2001 results were mixed. U.S. exports of solid wood products dropped 13% to \$5.4 billion, while seafood exports increased 9% to \$3.0 billion. Altogether, U.S. agricultural,

forestry and fishery exports totaled \$61.2 billion in 2001, up 2% from 2000.

Imports remained largely unchanged, as \$39.0 billion in foods, beverages and other agricultural products entered the country. With higher exports and basically steady imports, the U.S. agricultural trade surplus for fiscal 2001 climbed to \$13.8 billion, a nearly \$2-billion gain from 2000.

U.S. Agricultural Exports Reached \$53 Billion in 2001, Up \$2 Billion From Previous Year



Bulk Agricultural Exports Remain Flat

U.S. bulk commodity exports were stymied by large global supplies and a strong dollar. Bulk export volume dropped 3% from the previous year to 112 million metric tons, mainly reflecting reduced grain shipments. Export value remained largely unchanged, as it has since 1999. U.S. corn battled stiff competition from China and Argentina. Soybeans set another volume record at 26.6 million tons, with nearly \$1 billion in sales to China, but abundant supplies put a lid on prices. Sharply lower exports to Egypt trimmed total U.S. wheat sales by 4% to \$3.3 billion. Cotton was up 14%, reflecting a larger U.S. crop, less competition from China and record sales to Mexico and India. Rice exports were off 14% because of stagnant demand and increased competition from Vietnam and Thailand.

	FY 2000	FY 2001	Change
Commodity	—\$ million—		Percent
Coarse grains	5,283	5,230	-1
Soybeans	5,072	5,106	+1
Wheat	3,398	3,256	-4
Cotton	1,829	2,094	+14
Tobacco	1,227	1,181	-4
Rice	909	782	-14
Pulses	240	251	+5
Peanuts	237	135	-43
Other	378	424	+12
Total	18,573	18,458	-1

Note: Fiscal years are October-September (i.e., fiscal 2001 ran Oct. 1, 2000-Sept. 30, 2001.) All numbers are rounded from original data.

Exports of Intermediate Agricultural Products Set Growth Pace

U.S. exports of semi-processed and other intermediate products increased 9% to \$11.7 billion in fiscal 2001, outpacing the growth for consumer foods. Hides and skins were the big winner, with exports up 36% to a record \$1.9 billion. Hide sales to No. 1 market South Korea increased by a third to \$613 million, and exports to China more than doubled to \$378. U.S. cattle, hogs and other live animals also collared a new export record at \$827 million, with strong gains to Canada, Mexico, Europe, Japan and the United Arab Emirates. Planting seeds, vegetable oils, animal fats and wheat flour were down from the previous year. For intermediate products as a group, the U.S. export record stands at \$12.3 billion, set in 1997.

	FY 2000	FY 2001	Change
<i>Commodity</i>	—\$ million—		<i>Percent</i>
Hides & skins	1,413	*1,923	+36
Feeds & fodder	1,704	1,753	+3
Soybean meal	1,226	1,378	+12
Live animals	709	*827	+17
Sugar, sweeteners & beverage bases	689	749	+9
Planting seeds	777	731	-6
Veg. oils (excl. soy oil)	821	701	-15
Animal fats	409	310	-24
Soybean oil	278	240	-14
Wheat flour	130	104	-20
Other	2,555	*3,007	+18
Total	10,711	11,724	+9

*Denotes record-high export value.

Consumer Products Ring Up Another Record

U.S. exports of consumer products maintained their record-breaking ways last year, climbing 5% to \$22.6 billion. Mexico, Russia and Canada accounted for most of the growth. Among product groups, new sales highs were set for fresh and processed fruits and vegetables, snack foods, dairy products, pet foods and breakfast cereals. Although shy of the 1997 record, U.S. poultry exports increased 14% from the previous year to \$2.2 billion as sales to Russia more than doubled to \$586 million. Record red meat exports to Mexico were more than offset by declines to Japan, South Korea, Russia and other markets. Fruits, vegetables and other horticultural products put in a strong showing, with robust sales to Canada and Mexico. For the third year in a row, consumer products made up the largest category of U.S. agricultural exports, accounting for 43% of total export value in fiscal 2001, up from 24% in 1990.

	FY 2000	FY 2001	Change
<i>Commodity</i>	—\$ million—		<i>Percent</i>
Meat, poultry, dairy			
Red meats	*5,305	5,084	-4
Poultry meat	1,943	2,218	+14
Dairy products	999	*1,114	+12
Eggs & products	176	200	+14
Fruits & vegetables			
Fresh fruit	2,009	*2,158	+7
Proc. fruit/veg.	2,089	*2,156	+3
Fresh vegetables	1,221	*1,268	+4
Fruit/veg. juices	753	719	-5
Snack foods	1,497	*1,681	+12
Tree nuts	981	1,130	+15
Pet foods	767	*1,001	+31
Wine & beer	710	744	+5
Breakfast cereals & pancake mix	374	*409	+9
Nursery products & cut flowers	258	255	0
Other	2,433	*2,464	+1
Total	21,514	*22,600	+5

*Denotes record-high export value.

NAFTA Partners and China Give \$2-Billion Boost to U.S. Exports

Of last year's 10 leading U.S. agricultural export markets, three—Canada, Mexico and China—boosted our export sales by nearly \$2 billion. Both Canada and Mexico rang up record purchases. Together, our two NAFTA partners took an unprecedented \$15.3 billion in U.S. agricultural products, for the first time exceeding our sales to Japan and the European Union (EU) combined. As recently as 1995, exports to Japan and the EU were twice as large as exports to NAFTA. U.S. sales to recession-mired Japan fell again, but there was better news elsewhere in Asia. Sales to China rose to the highest level since 1995 on the strength of record U.S. exports of soybeans, hides and consumer foods. Exports to Indonesia were up 30%, boosted in part by record-high U.S. soybean meal shipments to that country.

	FY 2000	FY 2001	Change
Market	—\$ million—		Percent
Japan	9,304	8,953	-4
Canada	7,525	*8,011	+6
Mexico	6,317	*7,288	+15
European Union	6,206	6,267	+1
South Korea	2,532	2,552	+1
Taiwan	2,010	1,985	-1
China	1,466	1,884	+29
Hong Kong	1,249	1,253	0
Egypt	1,056	1,008	-5
Indonesia	675	879	+30
Rest of world	12,458	12,703	+2
Total	50,798	52,783	+4

Data include bulk, intermediate and consumer-oriented agricultural exports.

*Denotes record-high export value.

Wood Product Exports Lose Ground

World markets offered more challenges than rewards for U.S. solid wood products in fiscal 2001. A strong U.S. dollar, the global economic slowdown, the weak Japanese housing market and competition from Eastern Europe and Russia all combined to slow U.S. sales. Exports slumped 13% to \$5.4 billion—the lowest in more than a decade and sharply below 1997's \$7.5-billion record. Following a four-year climb to \$1.8 billion in 2000, exports fell 6% to our No. 1 market, Canada. Sales to Japan weakened for the sixth straight year, sagging another 18% to \$1.2 billion. Exports to the EU, our No. 3 wood market, were off 16% to \$1.1 billion. Of our top 10 markets, only China posted a gain—up 40% to \$118 million—based on strong U.S. log and chip sales. Overall, hardwood lumber exports were off 13% from the previous year's record, and softwood dropped 27%.

	FY 2000	FY 2001	Change
Commodity	—\$ million—		Percent
Logs & chips	1,659	1,572	-5
Lumber			
Hardwood	*1,440	1,258	-13
Softwood/treated	780	572	-27
Panel products	1,034	915	-12
Other	*1,322	1,126	-15
Total	6,236	5,444	-13

*Denotes record-high export value.

Seafood Sales Buoyed by Rising Demand, Larger Catch

U.S. fishery products swam on a rising tide for the third straight year in fiscal 2001, as exports topped \$3 billion for the first time since 1995. The 9% gain in value reflected record sales to the EU and South Korea, among others. U.S. exports to the EU were up 17% to \$522 million, as European demand for seafood was bolstered by worries over BSE and foot-and-mouth disease. Exports to Korea jumped 62% to \$311 million. Among product categories, Alaska pollock, fish roe and surimi registered the big gains, with roe—especially pollock roe to Japan and Korea—up 29% to a record \$547 million. A sharp increase in the allowable catch and reduced pollock supplies from Russia get the credit for larger Alaska pollock roe and fillet exports. The U.S. record for total seafood exports to all countries remains at \$3.3 billion, set in fiscal 1992.

	FY 2000	FY 2001	Change
Commodity	—\$ million—		Percent
Salmon			
Whole/eviscerated	346	305	-12
Canned	*201	151	-25
Roe & urchin (fish eggs)	423	*547	+29
Surimi (fish paste)	279	323	+16
Crab/crabmeat	115	94	-18
Other	1,417	1,600	+13
Total	2,781	3,019	+9

*Denotes record-high export value.

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